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ABSTRACT

This report discusses the trend of private funding to state universities, examines the importance of this area of financial support, and analyses the financial challenge confronting the nation's state and land-grant universities. Examples of what private investment does for the school are provided as is an argument supporting the need for continued private support of public universities. It is noted that, although state tax appropriations for higher education in fiscal 1989 represented a 5.8 percent increase over the previous fiscal year, the contributions of the states to the maintenance of the major public network of higher education are not keeping pace with the needs of the times. The gap between expenditures and revenue sources and the increasing role of voluntary support is examined, and specific observations are made concerning private sources including corporations, foundations, alumni and individuals, and community and civic groups. Finally, examples from 11 universities are provided of the growth and potential of private support. (GLR)

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"The margin for excellence in public higher education is that provided by private giving . . ."

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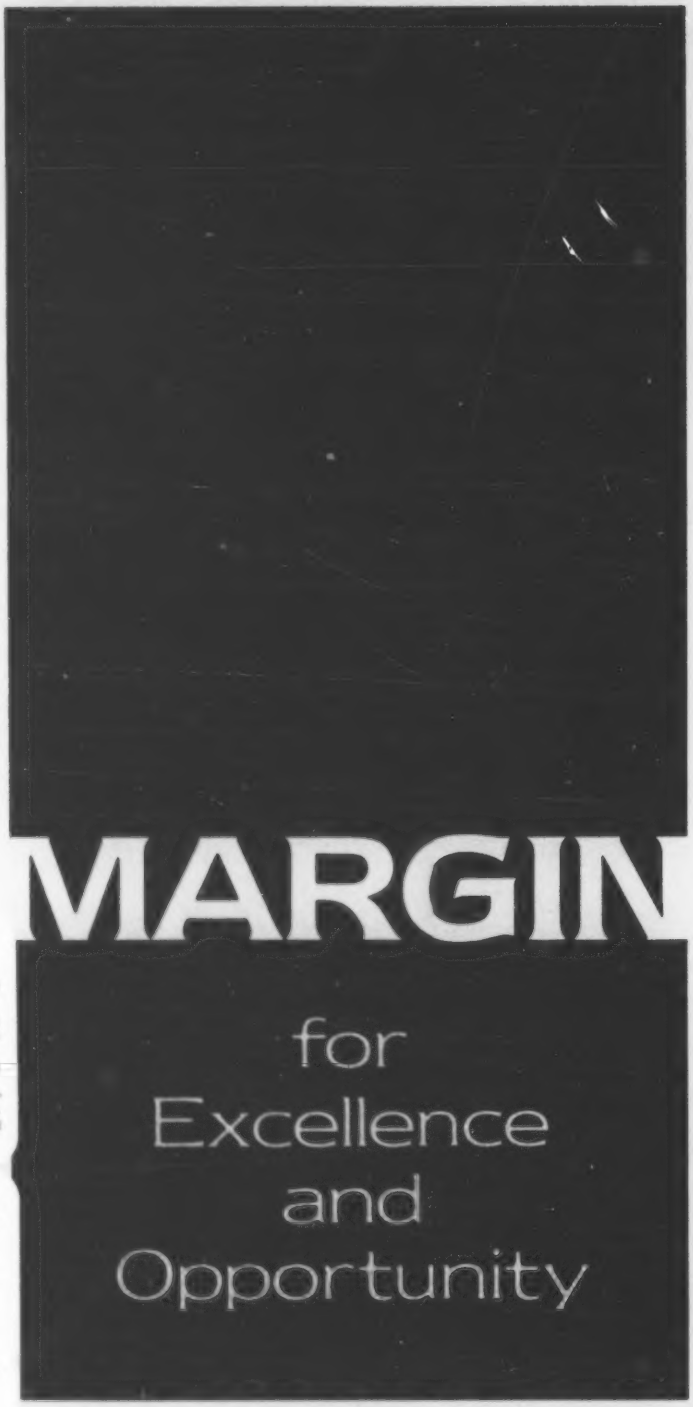

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for Excellence and Opportunity

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The Impact of Private Investment on Public Colleges and Universities

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Margin for Excellence and Opportunity

The Impact of Private Investment on Public Colleges and Universities

National Association of
State Universities and
Land-Grant Colleges

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"Our progress as a nation
can be no swifter
than our progress in education."

•

John F. Kennedy

Foreword

Private benefactors of U.S. higher education gave an estimated $8.2 billion to colleges and universities during the 1988 academic year, according to the annual survey conducted by the New York City-based Council for Aid to Education (CFAE).

But, 1988 represented the first slump in voluntary support of U.S. campuses in a dozen years. The 1988 tally represented a $300-million *decrease*—or a 3.5-percent dip—in private assistance to higher education, compared to the previous year.

Until the 1988 slump, voluntary support for colleges and universities had raced along at an average annual clip of 12 percent, CFAE reports. Yet, despite the recent slowdown, voluntary contributions to higher education continue to outstrip inflation.

"The decline in 1987-88," CFAE says, "was primarily the result of a drop in individual giving. Alumni contributions, which had increased by more than 28 percent in 1986-87—the largest increase ever for a single donor category—fell by $304 million, or 13 percent, in 1987-88. Contributions from other individuals—parents, trustees, faculty and friends—declined by almost 7 percent, or $139 million. Gifts from all individuals provided slightly less than half of total voluntary support, with alumni accounting for 24.9 percent and nonalumni 23.5 percent."

Observers generally credit two factors for the decrease in voluntary support of higher education: new tax laws lessened donor benefits for making charitable contributions and the 1987 stock-market "crash" diminished donor confidence in the economy.

While alumni and individual contributions tailed off, gains were posted in contributions to higher education by corporations and foundations. Foundation contributions grew by $94 million, or 6 percent, reaching $1.6 billion; corporate donations inched up 1.9 percent, totaling $1.8 billion. CFAE observes that "Between 1974-75 and 1984-85 corporate giving grew at an unprecedented average annual rate of 14.4 percent. Given sluggish profits in key industries and the continued restructuring in the corporate community, however, the recent slowdown was hardly unexpected."

CFAE notes that the leading institutional fundraisers in 1987-88 were 71 private doctoral-granting campuses which tallied $2.54 billion in gifts, averaging $36 million per campus. Next came public doctoral-granting institutions—many of which are members of the National Association of State Universities and Land-Grant Colleges (NASULGC); these campuses raised $2.14 billion, averaging $19 million per institution.

CFAE reports that $4.666 billion—or 56.9 percent—of funds raised for higher education in 1987-88 were earmarked for current operations, while $3.534 billion—or 43.1 percent—were targeted for capital purposes.

Of the 20 colleges and universities reporting the most voluntary support in 1987-88, seven were NASULGC members: University of Minnesota, $109.5 million; Massachusetts Institute of Technology, $96.9 million; University of Wisconsin-Madison, $89 million; University of California, Los Angeles, $74.5 million; University of Washington, $68.1 million; University of Michigan, $68 million, and University of California, Berkeley, $66.8 million.

Of the 20 colleges and universities reporting the most corporate support in 1987-88, 12 were NASULGC members: Massachusetts Institute of Technology, $42.9 million; University of Minnesota, $32.4

million; University of California, Berkeley, $32.2 million; University of California, Los Angeles, $26.8 million; University of Washington, $26 million; Ohio State University, $26 million; University of Wisconsin-Madison, $24.1 million; University of Arizona, $19.6 million; Texas A&M University, $18.8 million; University of Illinois at Urbana-Champaign, $17.2 million; Pennsylvania State University, $16.8 million, and the University of Utah, $16.8 million.

Voluntary support of higher education is an investment in people—an investment in the education of people for their benefit and society's benefit . . . an investment in research that improves the quality of life for people . . . and an investment in public service that brings the knowledge and know-how of campuses to people far from the classroom.

Fred Fisher, the chair of the University of Florida's $250 million fund-raising campaign and the benefactor behind a $6.6 million gift to the university's School of Accounting in 1985, said, "I've decided that it's most rewarding to invest in people, not things. After all, there really isn't anything else but people, when you get right down to it."

Public Universities and Private Support

Why do public universities and colleges need to seek financial support from private sources when they already are assisted by tax funds?

Private support means the difference between the *adequate* and the truly *outstanding* in higher education.

Charles E. Young, chancellor of the University of California, Los Angeles, has commented on the importance of private financial support to a public university, saying, "Private gifts help UCLA maintain its position among the nation's premier research universities, and ensure that we will be able to meet the expectations of the professional, technological, and academic communities that look to the university as a source of innovation and scholarly enterprise."

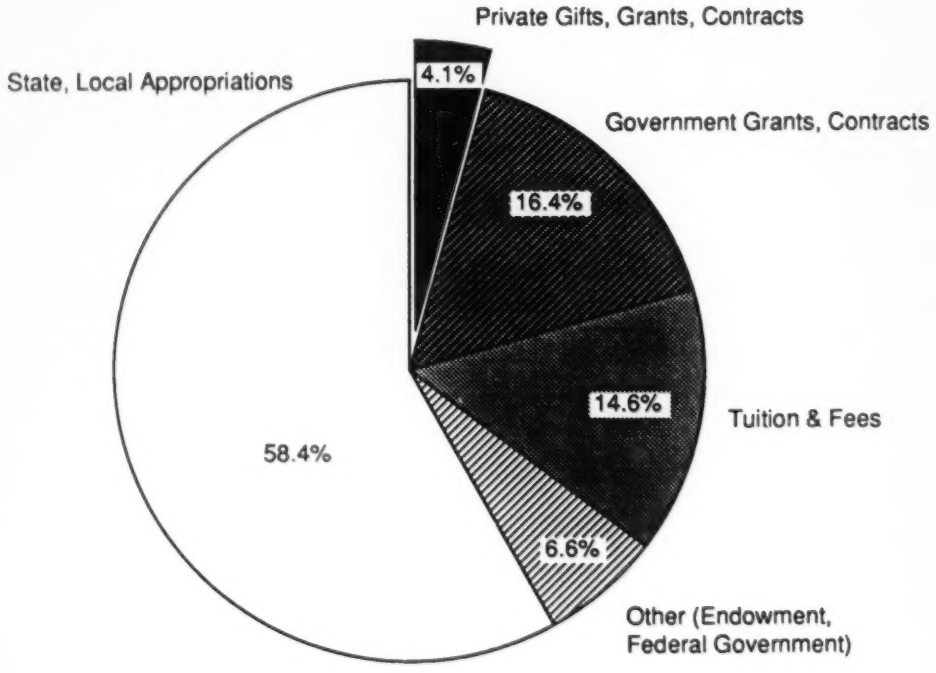
Support from corporations, foundations, individuals and religious denominations makes it possible for public universities and colleges to take advantage of unexpected opportunities to grow.

Private voluntary giving provides funds which can be used to recruit top-flight faculty, to qualify for matching grants, or provide more scholarships and loans for students.

Private giving often makes it possible to sustain development of great universities at times when tax funds, which are budgeted far in advance, fail to provide for unforeseen opportunities.

Figure I

Sources of Revenue—Fiscal 1986
Public Colleges and Universities



Source: *National Center for Education Statistics, Digest of Education Statistics, 1988*

Private support offers universities and colleges the flexibility vital in building effective educational programs. A great deal of the state-of-the-art teaching and research equipment and many of the educational innovations, including research achievements, at public universities and colleges are made possible through private support.

The objective of any outstanding university is to reach beyond the ordinary to achieve the highest level of excellence in order to provide top-flight educational opportunities for its students. Private giving is the essential ingredient in this effort.

What Private Money Does

Voluntary assistance can be earmarked for current campus operations or capital improvements; gifts can be targeted for general support of institutions or restricted by donors for specific uses.

Generally speaking, gifts to higher education may be used to improve existing academic programs or launch new ones; for faculty and staff compensation; to support research; to aid public service and extension programs; to assist in the operation and maintenance of buildings and facilities—and, of course, voluntary support of higher education often is channeled into student financial aid in the form of scholarships, fellowships, and other assistance.

University of New Mexico President Gerald W. May says, "We are confident of our accountability to our taxpayers and will invest their resources wisely. However, as we grow in stature and quality, we increasingly must look to other avenues of support. The *margin for excellence*, as with all great universities, will come from the assistance we can gain from sources other than state government."

Examples of Voluntary Support

Here are some examples of how voluntary support can make a difference at state and land-grant campuses:

■ As college costs increase and funding sources grow scarce, the need to provide financial assistance to students in need grows. Miami University's program of merit scholarships, based on private gift support, has helped make it possible to offer more than $1.5 million in scholarship assistance to 1,700 students.

■ Financial aid donations in the form of scholarships, endowments and student loan funds amounted to more than $1.5 million in five years at Utah State University. These gifts afforded students opportunities to gain college educations despite rising costs and, in many cases, spelled the difference between attending college or not.

Noting this and other development achievements at Utah State, President Sanford Cazier commented:

"Much of the credit goes to our many friends—individuals, corporations and foundations. Their generosity has made it possible to build facilities, attract faculty and personnel of quality and to develop outstanding programs."

■ Private giving at Clemson University more than doubled in 1987 and 1988. These gifts enabled the funding of academic chairs that attracted top-flight professors and financed building improvements, grounds maintenance and other resources, which opened new opportunities for students.

■ The University of Minnesota Foundation received $44.8 million in gifts and pledges from more than 65,000 contributors in 1987-88. These gifts came at a time of reductions in state and federal funding and helped the university to improve opportunities for students, faculty and the state.

■ Private giving at the University of California, Riverside, provided scholarships, research grants and awards of $386,027 in fiscal 1987.

■ The University of Wisconsin Foundation reported private gifts of $42.4 million in one campaign—support which helped provide thousands of scholarships for needy and meritorious individuals and also underwrote more than 60 professorships. The gifts helped attract and retain outstanding faculty at the University of Wisconsin, not only to teach, but also to pursue new research in a variety of fields.

■ Donations to the "Excellence Fund" at the University of Montana reached an all-time high in 1988 of $471,800, helping to ensure that excellence in education, research and public service to the state of Montana will continue to flourish at the university. Since 1978 private giving through the Excellence Fund has provided thousands of dollars for student scholarships at Montana.

■ At the University of Maryland a principal target blocked out for receipt of private support was endowments, designed to offer prestigious academic chairs, professorships and lectureships to attract and retain faculty of the highest caliber.

■ Private support helped make possible the development of a University of Nevada Fine Arts complex featuring a music wing, concert hall, practice studios, a visual arts wing and experimental and traditional theaters. The Nevada legislature appropriated $6 million for the project to be matched by an additional $2.2 million in private support.

■ At the University of Illinois School of Architecture, a large share of a $400,000 gift will go to student scholarships.

■ Scholarship funds also were augmented at New Mexico State University when students themselves conducted a "phonathon" over an eight-evening period. The campaign brought in $14,000 the first time around. A second effort brought in $17,350.

■ Gifts of $2 million spurred restoration of a visitors' gallery in the historic rotunda at the University of Virginia. Private gift support of $10 million was raised as part of a $20.5 million goal which resulted in a new University of Virginia hospital, part of the university's health-care center. The eight-floor hospital is equipped with 19 operating rooms, seven intensive-care units and an emergency room three times larger than its predecessor.

■ A $10 million gift from a private donor went to enhance and maintain the University of Washington's library collections and programs. The Boeing Company, a leading aerospace manufacturer based in Washington state, pledged $5.23 million to support international research and other projects at the university and a department of astronomy telescope in New Mexico. The $5.23 million grant brought to $11 million the amount received at the University of Washington since 1986 from Boeing. The university also has received $5.5 million worth of computer equipment for its college of education from the Hewlett-Packard Company. The company has given an additional $4.1 million in cash and equipment grants to the university since 1980.

■ Universities also receive gifts of land. A major land gift by three Fort Wayne foundations and a corporation assured room for the future growth of Indiana University-Purdue University at Fort Wayne. Included was a 152-acre farm, which brings the total campus area to 565 acres. The Indiana-Purdue at Fort Wayne is obliged to establish a master plan for the use of the land by June, 1995.

■ At the University of Nevada one-half of a $1 million gift from the First Interstate Bank of Nevada was earmarked for the First Interstate

Institute for Economic Development and International Trade within the University of Nevada, Reno's College of Business Administration. The institute's mission involves creating undergraduate scholarships for students pursuing degrees in business and international affairs; providing faculty with stipends for consumer research projects related to international trade and economic development and the establishment of an Interstate Distinguished Leadership Address at the university's Nevada Leadership Forum.

■ American Telephone and Telegraph Co. (AT&T) gave $9.2 million to the University of Illinois to fund projects involving the use of computers to identify missing children. In addition, the grant is slated to assist in the construction of three-dimensional visual displays, the development of the next generation of supercomputers and to install a fiber optic network at the University of Illinois at Chicago. The network will eventually link researchers throughout the middle west with the supercomputer facility in Urbana-Champaign.

In the case of the missing children, $1.3 million will be used to computerize a technique developed by medical illustrators that "ages" photographs allowing authorities to provide updated photos of children missing up to several years. The AT&T equipment is designed to reduce the time needed to generate these "age-progressed" illustrations from 20 hours to a few minutes. The AT&T gift also includes $1.2 million for research into visualization of scientific data in fields such as molecular modelling, astrophysics and medical imaging, all of which generate huge amounts of raw data.

These are only a few of the improvements and advances made possible at state and land-grant universities through private gifts—donations which have provided that *margin for excellence and opportunity* and which have often spelled a difference between the *ordinary* and the *extraordinary*.

Building the Case for Private Support of Public Universities

Alumni of public universities—many of whom would not have had an opportunity for higher education without these institutions—provide a talented resource for American society. These men and women are governors, scientists, teachers, legislators, doctors, engineers, lawyers and businessmen; they provide much of the professional know-how needed to staff a $4.4 trillion economy.

Many of the nation's political leaders are alumni of state and land-grant campuses. More than half of the 50 state governors attended these institutions, as well as 60 percent of the U.S. Senate and 54 percent of the members of the U.S. House of Representatives.

Likewise, a lion's share of the nation's business leadership are state and land-grant university alumni. More than half of the presidents and board chairmen of *Fortune* magazine's annual listing of America's 500 leading corporations attended state and land-grant universities.

And, more than 100 faculty and alumni of state and land-grant campuses have been recognized globally for their professional achievements—particularly in science—by being named Nobel laureates.

Impact of State, Land-Grant Universities

Members of the National Association of State Universities and Land-Grant Colleges (NASULGC)—53 principal state universities, 72 land-grant campuses and 24 university system administration offices—award about a half-million degrees annually, including about one-third of all bachelor's degrees, more than one-quarter of all first-professional degrees, and upwards of 60 percent of all U.S. doctorates.

An editor, who led his newspaper to a Pulitzer Prize, made these observations about the pivotal role state and land-grant universities played in his life and U.S. society:

". . . I came from a family where no one had gone to college, where money was scarce . . . The university . . . was a public university 40 miles from my home, with low fees that I could pay through my own labors. On that campus, I found faculty who inspired, administrators who led, and a treasure of books that transported me to other vistas.

"I also found myself. I realized that the past and family conditions couldn't limit me . . . Among the nations of the world, the United States leads in providing a system of state universities and land-grant colleges that provide hope, opportunity and education for the many. [The university] is one reason I am grateful I was born in this nation."

Touching People's Lives

There is probably no person in the United States whose life has not been touched in some way by research achievements at public universities.

From this work has come the antibiotic "wonder drugs" streptomycin and neomycin, contributions to the nation's space program, including the first miniaturized communication equipment

used in satellites, pioneer work in the development of the electrocardiograph used in diagnosing abnormalities of heart action, hybrid corn and other new and improved foods, a heat sterilization technique for canned foods, the first sound-on-film motion picture, and development of blood anti-coagulants and much more.

This sampling of the ways research at public universities has affected modern American life demonstrates the resulting dividends which far exceed total investment in all public institutions. State and land-grant universities, for example, are carrying out the commitment they have to serve and they offer their specialized knowledge and resources to individuals, corporations and government agencies.

With adequate support, public colleges and universities have been able to make significant contributions. But increased support is needed if they are to maintain their momentum and further develop excellence and opportunity.

The Financial Challenge

State tax appropriations for higher education in fiscal 1989 totaled $36.2 billion, a 5.8-percent hike compared to fiscal 1988. But, the contributions of the states to the maintenance of the major public network of higher education are not keeping pace with the needs of the times. Yet, comparisons of levels of support show an overall gain—gains that do, in fact, surpass increases in higher education prices, as measured by the Higher Education Price Index (HEPI).

However, the index does not adequately reflect all of the economic pressures facing campuses—pressures to meet intense market competition for first-rate faculty in terms of compensation and benefits; pressures to enhance student-aid programs; pressures to improve existing academic programs and devise new high-quality programs designed to serve additional and underrepresented constituencies; pressures to purchase costly state-of-the-art teaching and research instrumentation; pressures to modernize and maintain vast numbers of buildings and special-purpose facilities, ranging from advanced-technology laboratories to athletic complexes, as well as other economic pressures.

One reality directly bearing on campus finances is the pressure of increasing enrollments at some universities. Increases in tuition charges reflect the fact that, without corresponding financial support for additional instructional and student service costs, governing boards and institutions have had to look to revenue sources, such as tuition and fees, for needed resources. Adequate housing for students, whether at growing institutions or those holding the line on enrollments, is a critical cost pressure, for example. For close to a decade public institutions

TABLE I

State Tax Appropriations for Higher Education, 1982-1989 (Billions of Dollars)

Fiscal Years	'82	'83	'84	'85	'86	'87	'88	'89
Dollars	23.1	24.4	25.9	28.4	30.7	32.2	34.2	36.2
% Change	10.1	5.6	5.9	9.7	8.3	4.8	6.1	5.8

Source: *Appropriations—State Tax Funds for Operating Expenses of Higher Education, 1988-89*

TABLE II

Price Indices, 1982-88

Index	1982-83	1986-87	1987-88	% Change, 87-88 vs. 86-87	% Change, 87-88 vs. 82-83
Consumer Price	100.0	113.3	118.0	4.1	18.0
Higher Education	100.0	122.3	127.6	4.3	27.6

Source: *Voluntary Support of Education, 1987-88, Council for Aid to Education*

have delayed needed repairs and renovations to a broad range of facilities. Now, enrollment pressures and growing interest in on-campus housing have brought repair and renovation work to the top of many campus agendas.

Another financial consideration affecting public colleges and universities is that state budget processes involve forward planning and figures must be prepared well in advance of the start of new fiscal years. Thus budgets do not always reflect new circumstances or unplanned opportunities. Private support is often the source of funds needed to take advantage of unforeseen opportunities.

Revenue Sources

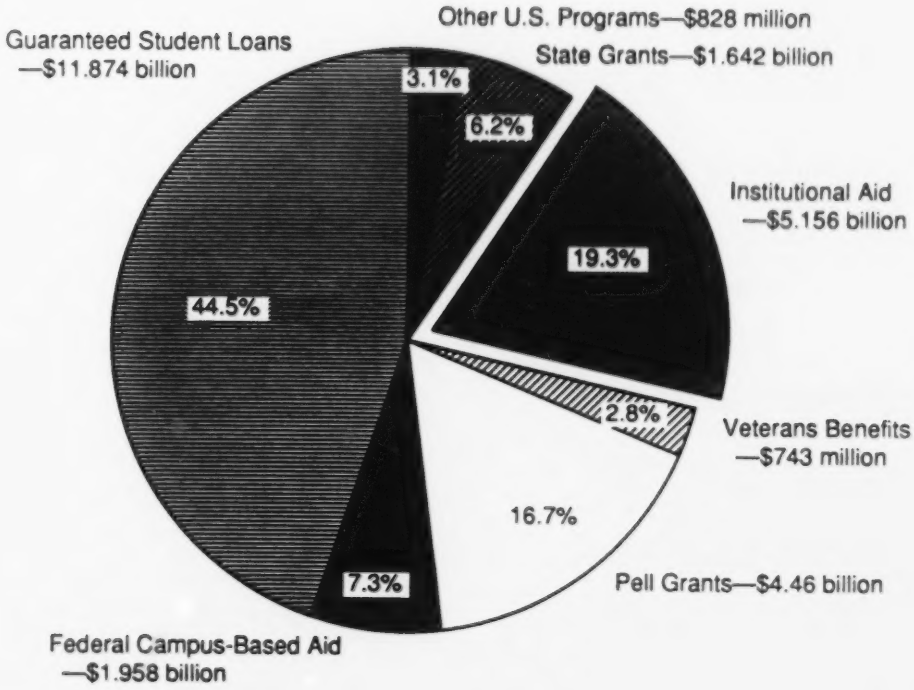
U.S. campuses spent $124 billion in 1987-88, with the federal government contributing *only* $10.1 billion to education programs, $9.7 billion for research, and $2.8 billion for other programs. The U.S. Department of Education estimates that colleges and universities will spend $141 billion during the 1989-90 school year, a 7.2-percent increase over the previous year.

The gap between resources and needs of higher education is illustrated by the College Board, which estimates that the cost of attending a four-year public campus in 1988-89 was $4,290—a *77.3-percent* hike compared to $2,420 in 1980-81. At the same time, disposable personal income (per capita) climbed only *66.8 percent* from $8,424 in 1980-81 to $14,048 in 1988-89 and total available student aid increased only *54.7 percent* from $17.233 billion in 1980-81 to $26.661 in 1988-89.

Voluntary support to fund scholarships is taking on increasing importance as the federal student-aid share, according to the College Board, has fallen from 83 percent to 75 percent during the 1980s, while institutional aid has grown from 12 percent to 19 percent of the student-aid "pie".

Figure II

Student Financial Aid
1988-1989
100%=$26.6 billion



Source: *College Board*

Tuition Patterns

Despite rising costs, tuition remains comparatively low at public universities, but the total cost of a year in college is higher when room, board, transportation, books and other supplies are included. The average total charge for undergraduate tuition and fees, room and board for in-state students attending NASULGC-member campuses in 1988-89 was $4,866.

A survey of student charges at NASULGC-member campuses for the 1988-89 school year reported, "NASULGC institutions slowed the rate of increase for in-state undergraduate tuition and fees in 1988-89. The average charge of $1,871 is 6.7 percent more than was paid in 1987. Last year, NASULGC members reported a 7.1-percent increase, compared with 1986."

The report, which covered more than 500 public, four-year campus members of NASULGC and the American Association of State Colleges and Universities (AASCU), added, "Sixty-seven institutions reported no increases for in-state undergraduate tuition and fees. The two systems of higher education in New York (State University of New York and City University of New York) reported little or no tuition increases at most of their institutions. There were 15 schools with no tuition increases in Texas, seven in Mississippi, and five in Alabama."

The student-charges survey noted, "Fourteen institutions reported *lower* tuition and fee charges in 1988, compared with 1987. And about half of the campuses canvassed increased average tuition and fee charges for in-state undergraduates by less than 5 percent."

Private funds that support higher education come from many sources: alumni, non-alumni individuals, corporations, foundations, religious organizations, and elsewhere. These sources of assistance, which contributed $8.2 billion to higher education in 1987-88, have much to gain from a strong system of public higher education.

Corporations. Business and industry often are able to utilize research, consulting services, manpower and advanced training programs available through public universities and colleges for employee and product development.

Even though state and local tax dollars do not reach universities and colleges outside the states in which tax payments are made, corporations located in one state benefit from the work carried forward at public universities throughout the nation. A New York company, for example, could hire engineers from public universities in California; university research in Michigan may help a Texas corporation increase its product safety and an accountant working in Missouri could return to a university in Massachusetts to update his or her job skills.

TECO Energy, a diversified energy-related holding company based in Tampa, Fla., pledged $1.6 million to the University of South Florida's "Campaign USF". In announcing the pledge, Timothy L. Guzzle, president and chief executive officer of TECO noted the importance of business support for higher education, saying, "The quality of public education is enormously important to our company and to our community, and we believe our support for USF can and will make a difference." TECO employs more than 250 USF graduates.

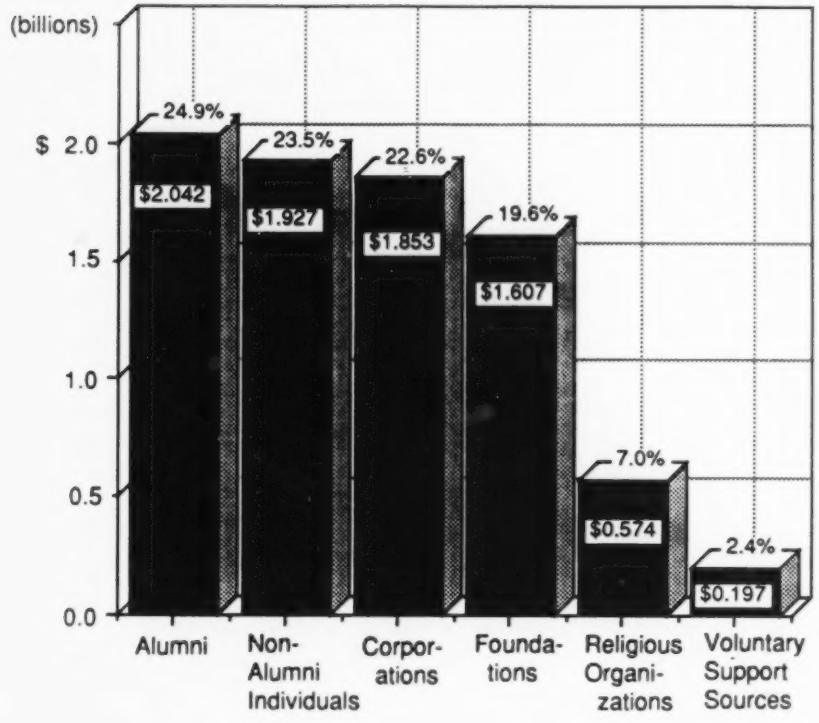
Foundations. Foundations traditionally have been interested in supporting innovation and activities which expand educational and cultural opportunities. State and land-grant universities are committed to providing those opportunities.

In the area of opportunities for minority students, most of whom attend public universities, there has been a conscientious effort to establish programs designed to help educationally and culturally deprived students.

State and land-grant colleges and universities have provided a pathway to education for black Americans for more than a century.

Figure III

Sources of Voluntary Support For Higher Education, 1987-1988 100%=$8.2 billion



Source: *Council for Aid to Education*

The nation's 36 historically black public campuses, located in 18 states, enroll upwards of 140,000 students. Historically black public colleges and universities (HBPCUs) enroll nearly 25 percent of all black students in higher education and about 60 percent of those enrolled in predominantly black colleges. These institutions award nearly 30 percent of all bachelor's degrees earned by blacks.

State and land-grant campuses also offer an array of educational and public service programs tailored to the needs of Hispanic-Americans, Native Americans and other minority groups.

The objective is to make it possible for disadvantaged Americans—black, Hispanic and Asian Americans, Indians and, in Alaska and other northern areas, Eskimos—to participate fully in the life of their country.

State and land-grant universities also have adapted the traditional agricultural extension programs successful in rural America to the problems of urban areas. These university extension programs beyond the campus are utilized by state and federal agencies for training community action leaders, labor and urban affairs experts and for helping dropouts pass high school equivalency tests.

A $3.6-million grant from the W.K. Kellogg Foundation of Battle Creek, Mich., to the University of Missouri is an example of how foundations and public universities work together to tackle social and other programs. The grant supports a new university-based extension program—the Missouri Youth Initiative, which is designed to aid communities in dealing with threats to their youngsters from poverty, drug or alcohol abuse, teen pregnancy and stress.

The four-year grant, the largest ever awarded by a private foundation to a division of the University of Missouri System, will spur development of preventive programs for Missouri youth, as well as help

to coordinate and integrate current youth programs, develop special activities, and test the initiative's effectiveness in six pilot communities.

Alumni and Individuals. Many individuals want to try to repay a university for providing opportunity or they simply want to support a service-oriented institution. Those who want to make personal gifts for the improvement of the quality of life could hardly find a more logical recipient than a university. Cultural centers, museums, special facilities and conference centers at universities make it possible for the benefits of voluntary gifts to be realized many times over.

Among recent gifts donated by individuals to campuses are:

■ A $1.25-million donation to the University of Rhode Island by Vincent A. Sarni, chairman of PPG Industries, Inc., the Pittsburgh-based manufacturer of glass, industrial coatings, chemicals, paints, and fiberglass. Sarni, a Rhode Island alumnus, has established through the donation an endowed professorship in international business and adds to a scholarship fund previously set up by the Sarni family.

■ A $5.2-million award has been committed to the University of Tennessee by Knoxville publisher Chris Whittle to fund 100 full scholarships. Whittle's gift, the largest single gift ever made to the university for academic purposes, will support individual scholarships valued at $30,000 each and will cover the costs of a specially designed college curriculum, including a year of overseas travel and study. "Whittle Scholars" will participate in an honors course of study and attend special seminars with faculty. Advisors and mentors also will work with the students.

■ A $10-million donation to the University of Florida in 1989 by Ben Hill Griffin, Jr., a citrus producer and cattleman, brought his total commitment to the university to more than $19 million. Griffin is the single largest benefactor in the university's history. His most recent gift will be used to endow athletic scholarships and medical research

facilities. It also is eligible for a $2-million matching grant from the state of Florida for an academic research building.

Community and Civic Groups. Community and civic groups interested in making their locales better places in which to work and live also find universities worth supporting. Some of these groups invest in community conference centers for religious and cultural activities. Others are interested in community service and conference facilities which their members can use. Still others want to provide scholarship aid for local youths and support continuing education programs. The university, again, is uniquely equipped to make gift funds work in all of these areas.

For example, Civitan International—an organization dedicated to helping people with mental retardation and developmental disorders—has awarded a grant expected to reach $20 million to the University of Alabama at Birmingham. The grant will help build a mental retardation research center at the university.

The Growth and Potential of Private Support

Private support for higher education has grown significantly over recent years—from $1.4 billion in 1965-66 to $8.2 billion in 1987-88—but it has not achieved its potential. Both individuals and corporations could do more to help through investment in public higher education.

Yet, in recent years many public four-year colleges and universities have mounted impressive fund-raising programs:

■ ***University of California, Berkeley***—"Keeping the Promise", a fund-raising campaign, passed its initial $320-million goal six months ahead of schedule by reaching $342 million by the fall of 1989.

The campus now is eyeing a $400-million goal by mid-1990.

The campus' annual gift total climbed to more than $100 million in 1988-89 and "set a record for a non-medical campus," the university says. Private funding has grown from $31 million in 1980-81 to $100.4 million in 1988-89—a 224-percent boost in nine years. Over the same period, the number of gifts nearly doubled from 27,000 to 50,000.

■ ***University of California, Los Angeles***—"UCLA Campaign" raised $373 million—$73 million more than its goal.

As a result of the campaign, UCLA received funding for 30 endowed faculty chairs; state-of-the-art equipment; special collections;

capital improvements; faculty teaching and research activities; student scholarships and fellowships; facilities including the Fowler Museum of Cultural History, the Gordon and Virginia MacDonald Medical Research Laboratories, and the John E. Anderson Graduate School of Management.

■ ***University of South Florida***—"Campaign USF", with a goal of $111 million, passed its halfway mark in the spring of 1989 less than a year after its formal announcement.

USF President Francis Borkowski says funds already received have greatly augmented scholarship by permitting the addition of 20 eminent scholars to the university's faculty in the fields of medicine, education, business, engineering, social sciences, arts and letters and architecture.

The campaign has provided almost $7 million for student scholarships, and earned state matches to make possible a new economic education building, the completion of the research floor in the university's new psychiatry center, fine arts facilities at the university's Sarasota campus, and completion of construction of a new eye institute.

Corporate sponsorships at USF have made possible symposia, lectureships, and valuable additions to the university's library and museum of art.

■ ***Indiana University***—"The Campaign for Indiana" had attracted more than $306 million in donations and pledges from alumni, corporations, and "friends" by the summer of 1989.

The campaign, managed by the Indiana University Foundation, was announced in October, 1985, with more than $102 million already committed.

Major campaign goals are: endowments to support students, faculty, research libraries, and museums; funding for immediate use for equipment and program support; priority facilities, and increased annual support for general use by departments and schools at eight university campuses.

■ ***University of Iowa***—"Iowa Endowment 2000" is a campaign to raise $150 million by the turn of the century for faculty chairs, fellowships for graduate students, and other university support. By the spring of 1989, the campaign had passed the $80 million benchmark.

Contributions to the university's foundation in 1988, which were pumped into the fund-raising campaign, totaled nearly $50 million—an 11-percent increase compared to 1987. The foundation received in 1988 55,000 gifts from 37,422 contributors—including, more than $9 million from 20,108 alumni; $6.6 million from 16,122 non-alumni, and $6.1 million from 1,092 corporations.

Over its 33-year history, the University of Iowa Foundation has raised $200 million.

■ ***University of Kansas***—Just 16 months after the announcement of "Campaign Kansas", the effort's $150-million goal was increased to $177 million at a time when commitments had reached $125 million—more than 83 percent of the campaign's initial goal.

Additional projects targeted for funding are faculty enrichment, student support, the Ernst F. Lied Center for the Performing Arts, and university museums.

■ ***Michigan State University***—"MSU 2000: Access to Opportunity" is a five-year, $160-million fund-raising effort announced in May, 1988.

By January, 1989, financial commitments had reached $94 million or nearly 60 percent of campaign's goal.

Among the fund-raising campaign's goals are: $50 million for endowments, $37.5 million for facilities, $12.5 million for program enhancements, and $60 million in annual-fund gifts.

■ ***Rutgers, The State University of New Jersey***— The $125 million "Campaign for Rutgers" topped its financial goal one year ahead of schedule.

By April, 1989, the campaign had netted $129.8 million, but is slated to continue until its planned 1990 wrapup.

About 98 percent of the monies raised in the six-year campaign have been restricted by donors for specific purposes.

As many as 43,000 people have contributed to the campaign, with alumni contributing $31 million; faculty and staff donating more than $3 million. Two dozen gifts of $1 million or more have come from individual, foundation, and corporate donors.

■ ***University of New Mexico***—"Shaping Our Future, Now," a five-year campaign honoring the campus' centennial has been launched with a tentative fund-raising goal of $65 million.

Among campaign objectives is an increase in annual university funds to $15 million from the current $10-million level.

■ ***Ohio State University***—With more than one year remaining in a $350-million campaign, gifts and pledges valued at $335.2 million—or 96 percent of the campaign goal—had been received by the summer of 1989.

The campaign, slated to end June 30, 1990, has attracted $113.3 million from alumni; $66.5 million from "friends" of the university, and $128.6 million from corporations.

The campaign is eyeing 18 new endowed faculty chairs and 14 endowed professorships in law, engineering, agriculture, marketing, chemistry, pharmacy, and accounting. It also is working toward 315 new endowed funds for scholarships, fellowships, research, facilities, lectureships, and other programs. Donors also have supported the $43 million Wexner Center for the Visual Arts and the $10.6 million Woody Hayes Athletic Center.

■ ***Pennsylvania State University***—The "Campaign for Penn State" had tallied gifts and pledges of $263 million—88 percent of the institution's $300-million goal by the summer of 1989, at a point when only 81 percent of the six-year effort had elapsed.

Penn State reported by mid-1989 that gifts were running 27 percent ahead of last year.

Conclusion

This nation's institutions of public higher education accepted from the start a responsibility to the people they were designed to serve. They developed from the great chartered state universities of the 18th Century, planned and established in the infancy of the Republic. They are direct outgrowths of a public hostility to purely denominational education which sprang up in the United States in the wake of the Revolutionary War. They include among their numbers the 20th century manifestations of the Jacksonian democratic ideal and the expansion of educational opportunities embodied in the landmark 1862 and 1890 land-grant university acts.

The strength of this nation has become entwined with these public colleges and universities. The people who formed and led them were devoted to the concept of universal suffrage and to what one historian has called "the inevitability of material and moral progress." They saw education as a way to enrich human life.

This idea of continuing social and economic advancement is the fundamental basis for public higher education in America today. By contributing to public higher education, private donors are investing in the progress of U.S. society.

It is difficult to imagine a great university without the "extras" which private support provides. And it is difficult to imagine a great nation without great universities.

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New Mexico State University
University of New Mexico
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State University of New York, Albany
State University of New York, Binghamton
State University of New York, Buffalo
State University of New York, Stony Brook
North Carolina A&T State University
North Carolina State University
University of North Carolina
University of North Carolina at Chapel Hill
North Dakota State University
University of North Dakota
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